

Sunset Public Hearing Questions
Board for Licensing Contractors
Created by Section 62-6-104, *Tennessee Code Annotated*
(Sunset Termination – June, 2009)

1. Provide a brief introduction to the board, including information about its purpose, statutory duties, staff, and administrative attachment.

Introduction: The Board for Licensing Contractors was originally established in 1931. It is comprised of nine (9) board members and four (4) home improvement advisory committee members, all who are appointed by the Governor. We are located on the Third Floor of the Andrew Johnson Tower, at 710 James Robertson Parkway.

(Attachment A – List of Board Members – Pages 1 - 5)

Purpose: The Board oversees the regulation of the contracting industry and strives to protect the safety and welfare of the public, as well as to assure quality and fair construction practices are in place. This is accomplished by the means of licensing and disciplinary action.

Statutory Duties: Pursuant T.C.A. § 62-6-108, to make bylaws, rules and regulations (0680-1); § 62-6-111, approve licensing (new contractors and revisions) and §§ 62-6-118, 521, disciplinary action.

The Board regulates licensing of four (4) professions:

- Contractors (projects \$25,000 and up);
- Home Improvement Contractors (projects \$3,000 to less than \$25,000/limited to *eight (8) counties);
- Limited Licensed Electricians (LLE) (electrical work less than \$25,000 for municipalities without a codes office and inspections are performed by the Division of Fire Prevention);
- Limited Licensed Plumbers (LLP) (for projects less than \$25,000 in municipalities without codes offices and inspections); and
- Contractor Pre-licensed Course Providers (exam preparation schools).
Currently, the Board has a total of 37,942 active licensees.

**Home Improvement Counties: Bradley, Davidson, Haywood, Knox, Robertson, Rutherford and Shelby.*

Staff: The Board is responsible for appointing an Executive Director and there are 16 employees. Funding responsibility includes the salaries of three (3) employees within the Division of Consumer Affairs (**CHAMP); one (1) employee with the Fiscal Office; and one (1) Paralegal within the Legal Section.
(See Attachment B – Employee List – Page 6)

***CHAMP (Consumer Homeowner Accountability Mediation Program)*

Administrative Attachment: The Board for Licensing Contractors is a Division of the Regulatory Boards within the Department of Commerce and Insurance.

2. Provide a list of current members of the board and explain how membership complies with Sections 62-6-104 through 106, *Tennessee Code Annotated*. Are there any vacancies on the board? If so, what steps have been taken to fill the vacancies? Have any members been removed from the board as authorized at Sections 62-6-104(b)?

- List of Current Board Members and Explanation to Law Compliance
 - (See Attachment A – List of Board Members – Page 1 - 5)
- Vacancies: None
- Removal: None

3. Does the board's membership include public/citizen members? Female members? Members of a racial minority? Members who are 60 years of age or older?

Yes, the law requires at least one minority member, one member aged 60; and one public member. (See Attachment A – List of Board Members – Page 1)

Board for Licensing Contractors

Public Members: 1
Female Members: 1
Racial Minority: 1
60+ Years of Age: 4

Home Improvement Commission Advisory Committee

Public Members: 2
Female Members: 1
Racial Minority: 1
60+ Years of Age: 1

4. How many times did the board meet in fiscal years 2007 and 2008, and how many members were present at each meeting?

The Board is required to meet six (6) times; with one meeting being in each grand division (Nashville, Memphis and Knoxville). A quorum is considered five (5) members (T.C.A. § 62-6-109). In addition, the Board meets to conduct formal hearings, rulemakings, and during cases of necessity, by telephone conference.

FY 2006-2007

Board Meetings Held:

14 Meetings

| Meeting and Attendees Present: | <u>Meeting Dates</u> | <u>Attendees</u> |
|---------------------------------------|-----------------------|------------------|
| | July 25-26, 2006 | (7) |
| | September 19-20, 2006 | (5) |
| | ***October 31, 2006 | (9) |
| | December 21, 2006 | (8) |
| | November 29, 2006 | (8) |
| | January 23-24, 2007 | (7) |
| | March 27, 2007 | (6) |
| | ***April 17, 2007 | (6) |
| | May 22-23, 2007 | (7) |

FY 2007-2008

Board Meetings Held: 7

| Meeting and Attendees Present: | <u>Meeting Dates</u> | <u>Attendees</u> |
|---------------------------------------|----------------------|------------------|
| | July 24, 2007 | (7) |
| | ***August 10, 2007 | (6) |
| | September 25, 2007 | (7) |
| | November 27, 2007 | (8) |
| | January 22, 2008 | (8) |
| | March 26, 2008 | (5) |
| | May 20, 2008 | (8) |

***Denotes Telephone conference call

5. What per diem or travel reimbursement do board members receive? How much was paid to board members during fiscal years 2007 and 2008?

The Board has nine (9) Board members, and they are required to meet in each grand division at least once. Meetings held in Nashville require the least travel expense. Per diems are not paid for telephone conference call meetings.

- **Per Diem** \$50.00/day - § TCA 56-1-307
 - FY 2006-2007 - **\$3,150.00**
 - FY 2007-2008 - **\$2,450.00**

- **Travel Policy** § TCA-4-3-1008 (3)
 Department of Finance and Administration Comprehensive Travel Regulations, Policy # 8
(Mileage-\$46¢; Meals & Incidental-\$54; Lodging-\$109 – hotel is typically direct billed to the State)

- **Paid** FY 2006-2007: **\$12,020** / FY 2007-2008: **\$12,571**

6. What were the board's revenues (by source) and expenditures (by object) for fiscal years 2007 and 2008?

| <u>2006-2007</u> | <u>Revenue</u> | <u>Expenditures</u> |
|-------------------------------|---------------------------|----------------------------|
| Contractors | \$2,631,617 | \$2,414,847 |
| Home Improvement: | 188,880 | 145,300 |
| Limited Licensed Electricians | 612,368 | 104,046 |
| Limited Licensed Plumbers | 37,070 | 27,707 |
| Total Revenue: | <u>\$3,469,935</u> | |
| Expenditures: | | <u>\$2,691,900</u> |

| <u>FY 2007-2008</u> | | |
|--------------------------------|---------------------------|---------------------------|
| Contractors | \$2,417, 778 | \$2,567,461 |
| Home Improvement | 190,892 | 146,794 |
| Limited Licensed Electricians: | 75,077 | 138,451 |
| Limited Licensed Plumbers: | 124,640 | 40,367 |
| Total Revenue: | <u>\$2,808,387</u> | |
| Expenditures: | | <u>\$2,893,079</u> |

(See Attachment C – Revenue and Expenditures – Page 7 - 10)

7. Is the board subject to Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures does the board have for informing the public of meetings and making minutes available to the public?

Sunshine Law: Yes

Minutes: The Board utilizes a court reporter to record minutes of each meeting. These are available from the Board's website.

Procedures: The Division of Regulatory Boards develops an activity report monthly with meeting dates, locations and also a list of disciplinary action. The public information officer forwards these reports to the media. **(See Attachment E)**

A notice of meetings and hearings are posted on the Board's "Calendar" of the website at:

<http://tennessee.gov/commerce/boards/contractors/>

8. Please describe what policies and procedures the board has in place to address potential conflicts of interest by board members and staff.

The Department of Commerce and Insurance requires each employee and Board member to disclose potential conflicts of interest and required to sign a “Conflict of Interest” notice, annually. In addition, Board members are presented complaint cases without the names of any of the parties being identified. Board members have access to a staff attorney to address their concerns and will recuse themselves on any case where they have prior knowledge. (See “10” for more details on complaints reviewed anonymously.)

9. What were the board’s major accomplishments during fiscal years 2007 and 2008?

Accomplishments: Consumer awareness is the key to protecting the public and materials have been developed and updated to address these issues. Materials include a brochure titled “A Consumer’s Guide to Hiring a Contractor”; a poster for local codes officials building permits office; and the website has a “Consumer Resources” section. Other areas consist of CHAMP (Consumer Homeowner Accountability Mediation Program) being recognized with an award for handling consumer complaints; an imaging system installed to transfer paper files to secure electronic data; and our program moved to another office building, with more space available to accommodate securing active files.

(See Attachment D – Consumer Education Materials)

10. In the last Performance Audit of the Board for Licensing Contractors and the Home Improvement Commission, dated December 2006, the auditors found, “The Board for Licensing Contractors, the Home Improvement Commission, and the Division of Consumer Affairs need to expedite complaint processing.” The audit noted that “the average processing time for the board cases (which were either sent to the board or the division for resolution was 319 days.” The report noted that the standard specified in the Department of Commerce and Insurance’s September 2005 strategic plan was 180 days. What actions have the board and the division taken to correct this finding and what is the average time to resolve complaints today?

Corrective Action to Complaint Handling: An Administrative Manager continues to oversee the complaint program from within the board office. Cases are now primarily reviewed and handled by the Legal Section to determine the jurisdiction of the board or whether it is a cosmetic issue without law violations and more beneficial to the consumer if handled through the Division of Consumer Affairs (CHAMP – Consumer Homeowner Accountability Mediation Program).

A Paralegal has been hired to provide assistance to the Attorney, and the Legal section now handles requests for an Investigation. Contractor Inspectors are under the supervision of the Investigation section and cross trained to perform other duties where needed.

To prevent prejudicial decisions, the Board's subcommittees (Residential, Commercial and Home Improvement) reviews a "Legal Report" compiled by the Legal section, with the alleged license law violation and their recommendation for discipline or dismissal, without any of the parties identified. The Board no longer reviews the actual complaint file submitted by the consumer; they only review the facts provided in the report by the attorney. After the subcommittees review the Legal report, the full Board votes on action as recommended or revised. After the Board meeting, Legal reports the findings to the Board office to notify the complaint parties. Those where discipline was recommended, remain open with Legal to process for collection of penalties or conduct a formal hearing.

The Division of Regulatory Boards, Administrative Division, closely monitors complaint cases, and requires a monthly report from our Board office. Based upon these reports, the Board usually maintains their goal for 60% of these complaint cases to be closed within 180 days, however, those requiring a formal hearing for unpaid penalties or disciplinary action, take longer to process by the Legal Section.

11. **In the second finding in the same report, the Division of State Audit found that "contractor licensing files are not securely maintained," noting that "neither the Board for Licensing Contractors nor the Home Improvement Commission has taken adequate actions to ensure the physical security of contractor license files." What action has the board taken to secure license files since that finding and how are files currently secured?**

Corrective Action to Securing Files: The Board has corrected the problem and all files are securely maintained. As stated in the "accomplishments" in question "9", electronic imaging has been implemented and these files may only be reviewed from staff's secure computer. Due to the move, the office now has adequate space with a locked file room and cabinets.

12. **The third finding in the same report noted that, "Board and Commission members have not signed conflict-of-interest statements annually." Are the conflict-of-interest forms now reviewed and signed annually or is the board still reviewing and signing the forms once per term (every seven years) as in the past?**

Conflict of Interest Policy: Conflict of Interest (COI) is obtained from each member, annually. The COI policy is placed on the agenda for discussion at every first meeting of the year.

13. **Section 62-6-112(a), *Tennessee Code Annotated*, lists nine "major construction classifications in which a contractor may apply for license." How many applications for each type of license did the board receive during each fiscal year of 2007 and 2008? In each of those categories, how many licenses were granted? How many were denied and what were the primary reasons for denial? How many licenses were suspended or revoked during the same period? What were the primary reasons for most revocations?**

The Board's law identifies nine (9) major construction classifications as: Commercial; industrial; heavy; highway, railroad and airport; municipal and utility; mechanical; electrical; environmental and specialty; and residential. A contractor may have a license with more than one major classification, or in some instances, have a combined license classification, such as "BC" which includes residential, commercial and industrial building. In addition, they may have one of the 33 BC subcategories, such as BC-21 (roofing).

Amount of Applications for FY 2007: 1,805

| | |
|--------------------------------------|----------------------------|
| BC-A: Residential – 800 | BC-B: Commercial – 250 |
| HRA: Highway – 30 | MU: Municipal Utility – 70 |
| CMC: Mechanical – 225 | CE: Electrical – 300 |
| BC-C: Industrial - 20 | HC: Heavy – 30 |
| S-: Environmental and Specialty – 80 | |

| | |
|-------------------------|--|
| Denied Licenses: | 16 |
| Primary Denial Reasons: | License Law Violations; Sex Offender Convictions |
| Revoked/Suspended: | 4 |

Amount of Applications for FY 2008: 1,415

| | |
|--------------------------------------|----------------------------|
| BC-A: Residential – 570 | BC-B: Commercial – 210 |
| HRA: Highway – 20 | MU: Municipal Utility – 55 |
| CMC: Mechanical – 175 | CE: Electrical – 280 |
| BC-C: Industrial – 15 | HC: Heavy – 20 |
| S-: Environmental and Specialty – 70 | |

| | |
|-------------------------|--|
| Denied Licenses: | 10 |
| Primary Denial Reasons: | License Law Violations; Sex Offender Convictions |
| Revoked/Suspended: | 3 |

14. What individuals or groups, if any, are exempt from contractor licensure requirements?

Exemptions

- Any person, firm or church, for the purpose of constructing residences or buildings for their own use, and not for sale, lease or rent and not open to the public (TCA § 62-6-103);
- Non-profit § 501c(3) groups may construct residences (TCA 62-6-103);
- Students enrolled in educational institutions under supervision of faculty, may construct single residences (TCA § 62-6-103);
- Bids let by the Department of Transportation (TCA§ 62-6-120);
- Alarm System Contractors licensed by the Alarm Board (TCA § 62-6-135);
- Sequatchie County (TCA § 62-6-127) is exempt from the licensing law; and

- Several counties are exempt from three (3) of the licensing programs within the Board: Home Improvement (adopted by eight (8) counties); Limited Licensed Electricians and Limited Licensed Plumbers are required only in areas where there is not a local licensing (codes offices) for permits and inspections.

15. In 2007, regulation of home improvement contractors was shifted from the Home Improvement Commission to the Board for Licensing Contractors. In what ways, if any, did this action change the way in which home improvement contractors are licensed and regulated?

Changes to the statute allowed improvement by:

- Expenses saved; alleviated four (4) meetings required by statute;
- Equipment and staff shared; and
- Provided a means to have a small program to be in a self sufficient status.

16. How many civil penalties were imposed during fiscal years 2007 and 2008? What was the total amount of penalties imposed for each of those two fiscal years and how much of that amount was collected? Of the \$5,000 statutory maximum penalty (Section 62-6-118(e), *Tennessee Code Annotated*) that could be imposed, what was the largest single penalty imposed and what was the smallest?

Civil Penalty Collection

| | <u>FY 06-07</u> | <u>FY 07-08</u> |
|--------------------------|------------------------|------------------------|
| Amount Imposed: | \$376,740 | \$113,750 |
| Amount Collected: | 149,800 | 105,300 |
| Largest Imposed: | 22,840 | 10,000 |
| Smallest: | 50 | 50 |

17. How many complaints did the board receive during fiscal years 2007 and 2008? What were the most typical reasons for complaints? How were complaints resolved and what was the average amount of time it took to resolve a case?

The department has established a 60% goal to close a complaint case within 180 days to process a complaint; however, our priority is to attempt to resolve the problems between a consumer and contractor. Based upon the most recent complaint report, our goal was met. **(See Attachment F)**

FY 06-07

| | | |
|---------------------------|-----|------------------------------|
| Complaints Received | 751 | |
| Closure within 30 days | 80% | |
| Closure exceeding 30 days | 20% | of which 13% remain open |
| Referred to CHAMP | 27% | of closures |
| Unlicensed Respondents | 35% | of total complaints received |

FY 07-08

| | | |
|---------------------------|-----|------------------------------|
| Complaints Received | 673 | |
| Closure within 30 days | 58% | |
| Closure exceeding 30 days | 42% | of which 26% remain open |
| Referred to CHAMP | 26% | of closures |
| Unlicensed Respondents | 39% | of total complaints received |

Typical allegations (reasons for complaints):

- Residential - Failure to complete punch list; repair; and/or warranty items;
- Residential - Drainage issues/water intrusion (workmanship);
- Residential – Request for money (over charges, judgments, repairs, etc.);
- Residential and Commercial - Unlicensed activity;
- Commercial – Bidding violations, protests; and
- Commercial – Failure to pay subcontractors.

Complaints Resolved:

- Residential complaints, without law violations, were transferred to CHAMP (Consumer Homeowner Accountability Mediation Program), where their consumer specialists staff worked with the consumer and contractor to communicate remedies;
- Citations of civil penalties issued for unlicensed activity;
- Board interpretations provided for bidding issues; and
- Consent orders for disciplinary actions (civil penalties; license revocations).

18. How many reports did the board receive concerning unlicensed contractors during fiscal years 2007 and 2008? How does that compare to prior years? What actions has the board taken to reduce the number of unlicensed contractors?

| | FY 06-07 | FY 07-08 |
|--------------------------------|-----------------|-----------------|
| Complaints Received: | 750 | 664 |
| Unlicensed Respondents: | 255 | 258 |

Comparison

FY 05-06: 704 complaints received of which 212 were unlicensed respondents.

FY 04-05: 703 complaints received of which 267 were unlicensed respondents.

Board Action: It is the Board's opinion that consumer education is the key to consumers not hiring these unlicensed contractors. In, 2006, the Board voted to use 10% of the generated license fees from the reserve (approximately \$200,000) for consumer education and awareness by way of public service announcements, billboards (used in other states), brochures and posters printed. However, due to the change in the economy and changes for licensures, fee collection was insufficient and we have been unable to pursue most of these options.

A homeowner affidavit has recently been drafted, which outlines the law requirements and benefits of hiring a properly licensed contractor and is being passed on to the county codes officials, promoting this to be utilized. Press releases and information directed to disaster victims of the tornado have been prepared and listed on the Board's website.

The Department has recently hired a "Consumer Education Coordinator" to provide assistance to the Boards in educating the public.

19. What reports does the board prepare concerning its activities, operations and accomplishments? Who receives copies of these reports? Please attach copies of any such reports issued during fiscal years 2007 and 2008.

The Department has two (2) public information officers who are responsible for ensuring the public is notified, by means of press releases and the website.

Reports: Activity Report; Disciplinary Action Report;

Receipt: Media and Website

(See Attachment E)

20. Has the board promulgated rules as authorized by Section 62-6-108(a) and as directed by Sections 62-6-112(b), 62-6-116(g) and 62-6-201(b)? If so, please cite the references.

Rules Promulgated: Yes

0680-1-.10 Renewal of Licenses.

Amendment filed April 28, 2008; effective July 12, 2008.

0680-1-.14 Request for Change of Classification or Limitation.

Amendment filed April 28, 2008; effective July 12, 2008

0680-5 Pre-Licensing Courses

Public necessity rule filed December 27, 2006; expired June 10, 2007. Public necessity rule filed June 11, 2007; expires November 23, 2007. Original rule filed May 10, 2007; effective July 24, 2007.

0680-6 General Liability Insurance

Public necessity rule filed June 29, 2007, expired December 11, 2007. Public necessity rule filed December 11, 2007; effective through May 24, 2008. Public necessity rule filed December 11, 2007, expired effective May 25, 2008. Rule reverted to its previous status. Public necessity rule filed May 29, 2008; effective through November 10, 2008. Rule filed April 28, 2008; effective July 12, 2008

0680-1-.25 - Contracting in Correct Name

Filed July 24, 2008; Rulemaking held September 24, 2008.

0680-7 - Home Improvement Contractors

Filed July 24, 2008; Rulemaking held September 24, 2008.

21. Describe any items related to the board that require legislative attention and your proposed legislative changes.

Legislation Needed

1. Create a means where those who do not respond to a citation, for unlicensed contracting, may be processed without a costly formal hearing. Currently, §62-6-205 states appealing a citation requires a formal hearing. For those who do not appeal or respond, it should be an admission of guilt (something on the basis of the parking citation law). In addition, the unpaid citation is an “open” case in Legal until it is paid, dismissed or a timely and costly formal hearing is held, and cannot be considered public information. With a change in the law, we could refer to a collection agency.

Suggestion: Add section 62-6-201(a)(4) - “Failing to respond or appeal a citation as described in 62-6-204, shall waive their right to a contested case hearing pursuant Uniform Administrative Procedures Act compiled in title 4, chapter 5, part 3 and may be referred to a collection agency.”

2. Change law where the board *may meet in each grand division, instead of “shall” to alleviate costly travel to Memphis and Knoxville. Years ago, an interview was required by all applicants applying for a contractor’s license. This is no longer the case, and should alleviate the need for the Board to hold meetings throughout the state

Suggestion: 62-6-109. Board meetings — Officers. —(f) The board may meet in each grand division at least one (1) time each year.

22. Should the board be continued? To what extent and in what ways would the absence of the board affect the public health, safety, or welfare?

Continuation: Yes

Affect: The Board receives a large volume of complaints, and while many are unhappy with the outcome of their complaint findings, this giving the appearance the Board has not helped, there is a majority of those have been helped. An absence of the Contractor’s Board would affect the public health, safety and welfare in many ways:

- Consumers would not have a means to identify qualified contractors;
- There would not be a resource to file a complaint (sole source would be the court system);

- Licensing provides a deterrent to bad workmanship and encourages codes compliance (many complaints are water drainage issues, which weaken the structure and promotes mold), especially on homes and buildings open to the public; and
- Licensing promotes fair construction practices (many complaints are received due to bidding law violations and failure to pay subcontractors).

23. Please list all board programs or activities that receive federal financial assistance and, therefore are required to comply with Title VI of the Civil Rights Act of 1964. Include the amount of federal funding received by program/activity.

None

If the board does receive federal assistance, please answer questions 24 through 31. If the board does not receive federal assistance, proceed directly to question 30.

24 – 29 – Not Applicable

30. Please provide a breakdown of current board staff by title, ethnicity, and gender.

(See Attachment G)

| Gender | Total | Black | White |
|----------|-------|-------|-------|
| Male: | 2 | 0 | 2 |
| Females: | 14 | 5 | 9 |

31. Please list all board contracts, detailing each contractor, the services provided, the amount of the contract, and the ethnicity of the contractor/business owner.

| | |
|-------------------|---|
| Contract: | PSI Services, LLC |
| Type: | Provides exam development and administration for contractors (residential, commercial and industrial building; mechanical plumbing and HVAC; electrical; and fire sprinkler), limited licensed electricians, and limited licensed plumbers. |
| Amount: | It is a “No Cost Contract”. Exam costs are \$38.00 - \$44.00, which is passed on to the applicant. (Note: An RFP was bid and awarded to the best and lowest priced vendor). |
| Ethnicity: | Employee list in the bid proposal identified 79% of the employees as white. In addition, they listed eight (8) minority owned businesses in which they commit to diversity in transacting business. |

Attachment A – (Board Membership)**Contractors Board Members**

| Name | Seat requirements mandated by code (i.e. consumer member, etc.) | Region Race Age Gender |
|----------------------|--|---|
| Mark Brodd | Commercial (East TN) | East White 46 – 59 Male |
| Jack (Ronnie) Tickle | Residential (West TN) | West White 46- 59 Male |
| Jerry Hayes | Highway (West TN) | West White 60+ Male |
| Ernest Owens | Commercial and Racial Minority (West TN) | West Black 60+ Male |
| Frank Neal | Public (Middle TN) | Middle White 60+ Male |
| Cindi DeBusk | Electrical (East TN) | East White Under 45 Female |
| Reese Smith | Residential (Middle TN) | Middle White 46-59 Male |
| Marvin Sandrell | Mechanical (Middle TN) | Middle White 60+ Male |
| Keith Whittington | Residential (East TN) | East White 46 – 59 Male |

Home Improvement Advisory Committee

| Name | Seat requirements mandated by code (i.e. consumer member, etc.) | Region Race Age Gender |
|-----------------|--|---|
| Roger Ball | Home Improvement Contractor | East White 60+ Male |
| Johnny Dodd | Public Member | West Black Under 45 Male |
| Patrick Maloney | Home Improvement Contractor | West White 46-59 Male |
| Patsy Williams | Public Member | East White 60+ Female |

Composition Requirements: (Qualifications and Positions)

Contractors Board Members

Seven (7) year term

T.C.A. § 62-6-104 - 105: Nine (9) members are appointed by the governor to serve a term of seven (7) years, with terms staggered for one to expire each December 31st. Two of the nine members expire on June 30th due to a change in law, from seven to nine board members.

Composition Requirements: (qualifications and positions)

- All members must be at least 25 years of age (except the public member) and at least one being 60 years of age or older;
- All members must be a resident of Tennessee;
- All industry members must have ten (10) years experience and must be licensed;
- One (1) member must be of racial minority;
- Three (3) members must be residential contractors; the Governor must appoint residential contractors from a list submitted by the Home Builders Association of Tennessee, Inc.;
- Two (2) members must be a commercial contractor;
- One (1) member must be a mechanical contractor;
- One (1) member must be an electrical contractor;
- One (1) member must be a highway, railroad or airport contractor;
- One (1) public member, cannot be engaged in contracting or have a significant financial interest in residential contracting;
- There shall be no more than one (1) board member in any specific classification residing within any one (1) grand division of this state and no more than three (3) board members residing in any one (1) grand division.

Home Improvement Advisory Committee

Effective, July 1, 2007, an advisory committee is made up of four (4) of the former Home Improvement (HI) commission members, who were appointed by the governor prior to the deletion of § 62-37-116 by Public Chapter 460.

All committee members terms expire on June 30, 2010, with no means for re-appointment.

BOARD FOR LICENSING CONTRACTORS

| <u>Member</u> | <u>Type</u> | <u>Term Expiration Date</u> |
|--|------------------------|-----------------------------|
| Cindi Gresham DeBusk, Chair GCS Group, LLC P.O. Box 5025 Knoxville, TN 37928-0025 Cell (865) 679-7654 - Fax: (865) 686-4501 email: gcsgroup@comcast.net | Electrical Contractor | 12-31-2010 |
| Mark Brodd Blaine Construction Corporation 6510 Deane Hill Dr. Knoxville, TN 37919 (865) 560-2154 - Fax: (865) 539-2212 Cell: (865) 207-3066 Email: mbrodd@blaineconstruction.com | Commercial Contractor | 06-30-2015 |
| Gerald (Jerry) Hayes J.R. Hayes Construction Co., Inc. P.O. Box 908 [2525 Hwy 79 South] Paris, TN 38242-0908 Telephone: (731) 642-4707 - Fax: (731) 642-8890 Cell: (731) 644-6700 Email: sndoc@yahoo.com | Highway Contractor | 12/31/2015 |
| Frank Neal, Chairman, Secretary Frank E. Neal & Co., Inc. P.O. Box 40507 Nashville, TN 37204 (615) 383-8874 - Fax# (615) 383-8939 Cell: (615) 202-7782 email: fneal@feneal.com | Public Member | 12-31-2010 |
| Ernest M. Owens Bricks, Inc. 2312 Bright Rd. Memphis, TN 38114-5309 (901) 743-0990 - Fax: (901) 744-9555 Cell: (901) 219-4789 Email: buckowens@bricks-incorp.com | Commercial Contractor | 12/31/2012 |
| Marvin Sandrell Sandrell Heating & Air Conditioning, Inc. P.O. Box 1405 Columbia, TN 38402 (931) 381-2413 - Fax# (931) 381-6133 Cell: (931) 626-6662 email: gburgess@sandrell.net | Mechanical Contractor | 12/31/2013 |
| Reese Smith, III Haury & Smith Contractors 2033 Richard Jones Rd. Nashville, TN 37215 (615) 383-9070 - FAX# (615) 383-1522 Cell: (615) 351-8686 email: rsmith44@haurysmith.com | Residential Contractor | 12-31-2011 |
| Jack (Ronnie) Tickle TAPP Enterprises, Inc. 4800 Navy Rd., Suite 5 Millington, TN 38053 (901) 872-8146 - Fax (901) 873-0411 Cell: (901) 870-4406 email: jacktickel@aol.com | Residential Contractor | 07/31/2015 |
| Keith Whittington, Vice Chairman Whittington Construction Co. 102 Daniels Way Johnson City, TN 37615 Cell: (423) 791-0384 Email: kwhittington@whittingtonconstruction.com | Residential Contractor | 12-31-2014 |

Home Improvement Advisory Subcommittee

Patsy Williams
P.O. BOX 709
Newport, TN 37822
Telephone: (423) 623-2324
Email: bwill@planetec.com

Public Member

06/30/2010

Roger Ball
Ball Ready Mix, Inc.
402 Highway 25E South
Tazewell, TN 37879
Telephone: (423) 626-9393
Email: Rball@centurytel.net

Home Improvement

06/30/2010

Johnny Dodd
214 Daughtery Street
Jackson, TN 38301
Telephone: (731) 423-3101
Email: jdodd@cityofjackson.net

Public Member

06/30/2010

Patrick Mahoney
Home Improvement Contractor
Remodeling Consultants, Inc.
2200 Cordes Rd.
Germantown, TN 38139
Telephone: (901) 757-5471 Fax: (901) 754-8667
Email: patrickmahoney@comcast.net

Home Improvement

06/30/2010

(Rev. 4/2009)

(Attachment B)

Contractors Board Office Staff

Mailing Address: 500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-1150
TELEPHONE: 800-544-7693 OR (615) 741-8307 OR FAX (615) 532-2868
Website: <http://tennessee.gov/commerce/boards/contractors/>

| Title/Function | Name | Contact Information |
|---|-------------------------|---|
| Executive Director | Carolyn Lazenby | Phone: (615) 741-1202 Carolyn.Lazenby@tn.gov |
| Assistant Director | Telise Roberts | Phone: (615) 532-3990 Telise.Roberts@tn.gov |
| Office Supervisor | John Haughtigan | Phone: (615) 532-3989 John.Haughtigan@tn.gov |
| Renewals for Contractors | Rhea Cowan | Phone: (615) 532-3985 Rhea.Cowan@tn.gov |
| Renewals for Contractors | Lorraine Lassourreille | Phone: (615) 532-3981 Lorraine.Lassourreille@tn.gov |
| New Contractor Licensing | Kathy Holliman | Phone: (615) 532-3983 Katherine.Holliman@tn.gov |
| Complaint Section | Delta Lowe | Phone: (615) 532-3996 Delta.D.Lowe@tn.gov |
| Financial Statement Review - New License Applicants and Renewals | Matthew Vogeler | Phone: (615) 253-4076 Matthew.Vogeler@tn.gov |
| Financial Statement Review- Renewals | Becky Hawk | Phone: (615) 532-3998 Rebecca.Hawk@tn.gov |
| Reciprocity/Exam Waiver Requests | Brenda Emmett | Phone: (615) -532-3993 Brenda.Emmett@tn.gov |
| Revisions/Transfers | Karen Baker | Phone: (615) 253-5741 Karen.Baker@state.tn.us |
| Electricians - Limited Licensed (LLE) for projects less than \$25,000 | Linda Ford | Phone: (615) 253-2144 Linda.Ford@tn.gov |
| Home Improvement (Remodeling from \$3,000 to \$24,999); and | Angela (Smith) Stephens | Phone: (615) 532-3994 Angela.C.Stephens@tn.gov |
| Plumbers - Limited Licensed (LLP) for projects less than \$25,000 | | |
| Telephone/Front Desk | Renee Crawford | Phone: (615) 741-1931 Renee.Crawford@tn.gov |
| Telephone/Front Desk (Back-up); and Timesheets for Staff | Sandra (Diane) Rector | Phone: (615) 253-6235 Sandra.Rector@tn.gov |
| Fee Entry and Deposits | Jan Shelbourne | Phone: (615) 741-1683 Jane.Shelbourne@tn.gov |

(Physical Address: 710 James Robertson Parkway, Third Floor Andrew Johnson Tower)

Attachment C - Revenue & Expenditures - Contractors & Home Improvement)

(Page 7)

REGULATORY BOARDS

EXPENDITURES

| | FY 06-07 | FY 07-08 | FY07-08 | FY07-08 |
|------------------------------------|-----------|-----------|----------|------------|
| EXPENDITURES BY OBJECT | CONTRAC | CONTRAC | H.IMPROV | TOTAL |
| Regular Salaries | 698,505 | 772,876 | 34,798 | 807,674 |
| Longevity | 36,950 | 35,400 | 300 | 35,700 |
| Overtime | 1,511 | 52 | 0 | 52 |
| Employee Benefits | 318,009 | 359,106 | 25,771 | 384,877 |
| Payroll Expenditures | 1,054,976 | 1,167,435 | 60,869 | 1,228,304 |
| Travel | 59,304 | 68,858 | 1,031 | 69,889 |
| Printing, Duplicating & Binding | 21,579 | 35,469 | 0 | 35,469 |
| Utilities and Fuel | 0 | 0 | 0 | 0 |
| Communications | 39,174 | 41,825 | 719 | 42,544 |
| Maintenance, Repairs & Service | 0 | 237 | 0 | 237 |
| Professional Services & Dues | 27,582 | 9,736 | 0 | 9,736 |
| Supplies & Materials | 13,667 | 7,363 | 0 | 7,363 |
| Rentals and Insurance | 68,760 | 68,760 | 8,226 | 76,986 |
| Motor Vehicle Operations | 975 | 3 | 0 | 3 |
| Awards and Indemnities | 0 | 0 | 0 | 0 |
| Grants and Subsidies | 3,946 | 10,779 | 55 | 10,834 |
| Unclassified | 0 | 0 | 0 | 0 |
| Stores for Resale | 0 | 0 | 0 | 0 |
| Equipment | 0 | 0 | 0 | 0 |
| Land | 0 | 0 | 0 | 0 |
| Buildings | 0 | 0 | 0 | 0 |
| Discounts Lost | 0 | 0 | 0 | 0 |
| Professional Services & Dues State | 101,097 | 86,158 | 466 | 86,624 |
| Other Expenditures | 336,084 | 329,187 | 10,497 | 339,685 |
| GRAND TOTAL | 1,391,060 | 1,496,622 | 71,367 | 1,567,988 |
| Cost Backs: | | | | |
| Administration | 101,572 | 153,357 | 15,422 | 168,779 |
| Legal | 43,671 | 59,992 | 18,946 | 78,938 |
| Investigation | 781,488 | 662,468 | 21,448 | 683,916 |
| Department | 97,056 | 195,023 | 19,611 | 214,634 |
| Total Cost Backs | 1,023,787 | 1,070,839 | 75,428 | 1,146,267 |
| TOTAL EXPENDITURES | 2,414,847 | 2,567,461 | 146,794 | 2,714,255 |
| TOTAL REVENUES | 2,631,617 | 2,417,778 | 190,892 | 2,608,670 |
| Less: State Regulatory Fee | 106,600 | 101,245 | 6,645 | 107,890 |
| NET REVENUE | 2,525,017 | 2,316,533 | 184,247 | 2,500,780 |
| FISCAL YEAR BALANCE | 110,170 | -250,928 | 37,453 | -213,475 |
| PRIOR FISCAL YEAR RESERVE | 4,914,217 | 5,021,659 | -638,196 | 4,383,463 |
| BALANCE | 5,024,387 | 4,770,731 | -600,743 | 4,169,987 |
| BALANCE ADJUSTMENT | -2,728 | | | -3,093,177 |
| ADJUSTED BALANCE | 5,021,659 | | | 1,076,811 |

REGULATORY BOARDS
EXPENDITURES
For Fiscal Years 2006-08

FY 05-06

FY 06-07

FY 07-08

| EXPENDITURES BY OBJECT | LL PLUMBERS | LL PLUMBERS | LL PLUMBERS |
|------------------------------------|-------------|-------------|-------------|
| Regular Salaries | 0 | 0 | 0 |
| Longevity | 0 | 0 | 0 |
| Overtime | 0 | 0 | 0 |
| Employee Benefits | 0 | 0 | 0 |
| Payroll Expenditures | 0 | 0 | 0 |
| Travel | 0 | 0 | 0 |
| Printing, Duplicating & Binding | 0 | 0 | 0 |
| Utilities and Fuel | 0 | 0 | 0 |
| Communications | 0 | 0 | 1,008 |
| Maintenance, Repairs & Service | 951 | 331 | 0 |
| Professional Services & Dues | 0 | 0 | 0 |
| Supplies & Materials | 0 | 0 | 0 |
| Rentals and Insurance | 0 | 0 | 0 |
| Motor Vehicle Operations | 0 | 0 | 0 |
| Awards and Indemnities | 0 | 0 | 0 |
| Grants and Subsidies | 0 | 0 | 0 |
| Unclassified | 0 | 0 | 0 |
| Stores for Resale | 0 | 0 | 0 |
| Equipment | 0 | 0 | 0 |
| Land | 0 | 0 | 0 |
| Buildings | 0 | 0 | 0 |
| Discounts Lost | 0 | 0 | 0 |
| Professional Services & Dues State | 120 | 311 | 114 |
| Other Expenditures | 1,070 | 642 | 1,122 |
| GRAND TOTAL | 1,070 | 642 | 1,122 |
| Cost Backs: | | | |
| Administration | 12,459 | 4,147 | 8,351 |
| Legal | 12,649 | 18,955 | 20,274 |
| Investigation | 0 | 0 | 0 |
| Department | 12,647 | 3,963 | 10,620 |
| Total Cost Backs | 37,754 | 27,065 | 39,245 |
| TOTAL EXPENDITURES | 38,825 | 27,707 | 40,367 |
| TOTAL REVENUES | 213,100 | 37,070 | 124,640 |
| Less: State Regulatory Fee | 13,260 | 15,790 | 16,135 |
| NET REVENUE | 199,840 | 21,280 | 108,505 |
| FISCAL YEAR BALANCE | 161,015 | -6,427 | 68,138 |
| PRIOR FISCAL YEAR RESERVE | 0 | 161,015 | 153,813 |
| BALANCE | 161,015 | 154,588 | 221,951 |
| BALANCE ADJUSTMENT | 0 | -775 | -164,292 |
| ADJUSTED BALANCE | 161,015 | 153,813 | 57,659 |

REGULATORY BOARDS
EXPENDITURES

| | FY 06-07 | FY 07-08 |
|------------------------------------|-----------------|-----------------|
| EXPENDITURES BY OBJECT | LTD. LIC. ELEC. | LTD. LIC. ELEC. |
| Regular Salaries | 49,016 | 51,327 |
| Longevity | 2,400 | 1,900 |
| Overtime | 0 | 0 |
| Employee Benefits | 20,492 | 21,841 |
| Payroll Expenditures | 71,908 | 75,068 |
| Travel | 0 | 0 |
| Printing, Duplicating & Binding | 0 | 0 |
| Utilities and Fuel | 0 | 0 |
| Communications | 0 | 1,629 |
| Maintenance, Repairs & Service | 6,439 | 0 |
| Professional Services & Dues | 0 | 0 |
| Supplies & Materials | 0 | 0 |
| Rentals and Insurance | 0 | 0 |
| Motor Vehicle Operations | 0 | 0 |
| Awards and Indemnities | 0 | 0 |
| Grants and Subsidies | 0 | 0 |
| Unclassified | 0 | 0 |
| Stores for Resale | 0 | 0 |
| Equipment | 0 | 0 |
| Land | 0 | 0 |
| Buildings | 0 | 0 |
| Discounts Lost | 0 | 0 |
| Professional Services & Dues State | 517 | 406 |
| | 6,956 | 2,034 |
| GRAND TOTAL | 78,864 | 77,102 |
| Cost Backs: | | |
| Administration | 10,454 | 24,204 |
| Legal | 4,739 | 6,365 |
| Investigation | 0 | 0 |
| Department | 9,989 | 30,780 |
| Total Cost Backs | 25,182 | 61,349 |
| TOTAL EXPENDITURES | 104,046 | 138,451 |
| TOTAL REVENUES | 612,368 | 75,077 |
| Less: State Regulatory Fee | 66,120 | 66,895 |
| NET REVENUE | 546,248 | 8,182 |
| FISCAL YEAR BALANCE | 442,203 | -130,269 |
| PRIOR FISCAL YEAR RESERVE | 1,115,069 | 1,557,078 |
| BALANCE | 1,557,272 | 1,426,809 |
| BALANCE ADJUSTMENT | -194 | -1,056,148 |
| ADJUSTED BALANCE | 1,557,078 | 370,661 |

REGULATORY BOARDS
EXPENDITURES

| | FY 06-07 | FY 07-08 |
|------------------------------------|-----------------|-----------------|
| EXPENDITURES BY OBJECT | LTD. LIC. ELEC. | LTD. LIC. ELEC. |
| Regular Salaries | 49,016 | 51,327 |
| Longevity | 2,400 | 1,900 |
| Overtime | 0 | 0 |
| Employee Benefits | 20,492 | 21,841 |
| Payroll Expenditures | 71,908 | 75,068 |
| Travel | 0 | 0 |
| Printing, Duplicating & Binding | 0 | 0 |
| Utilities and Fuel | 0 | 0 |
| Communications | 0 | 1,629 |
| Maintenance, Repairs & Service | 6,439 | 0 |
| Professional Services & Dues | 0 | 0 |
| Supplies & Materials | 0 | 0 |
| Rentals and Insurance | 0 | 0 |
| Motor Vehicle Operations | 0 | 0 |
| Awards and Indemnities | 0 | 0 |
| Grants and Subsidies | 0 | 0 |
| Unclassified | 0 | 0 |
| Stores for Resale | 0 | 0 |
| Equipment | 0 | 0 |
| Land | 0 | 0 |
| Buildings | 0 | 0 |
| Discounts Lost | 0 | 0 |
| Professional Services & Dues State | 517 | 406 |
| | 6,956 | 2,034 |
| GRAND TOTAL | 78,864 | 77,102 |
| Cost Backs: | | |
| Administration | 10,454 | 24,204 |
| Legal | 4,739 | 6,365 |
| Investigation | 0 | 0 |
| Department | 9,989 | 30,780 |
| Total Cost Backs | 25,182 | 61,349 |
| TOTAL EXPENDITURES | 104,046 | 138,451 |
| TOTAL REVENUES | 612,368 | 75,077 |
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| BALANCE | 1,557,272 | 1,426,809 |
| BALANCE ADJUSTMENT | -194 | -1,056,148 |
| ADJUSTED BALANCE | 1,557,078 | 370,661 |

Department of Commerce and Insurance
Division of Regulatory Boards
Board for Licensing Contractors
Reserve Balances Based on Fourth Preliminary Reports
Fiscal Year Ending June 30, 2008

Allotment Code: 335.10
Fund: 11

| | FY 2007 | FY 2008 | FY 2008 | FY 2008 | FY 2008 |
|---|------------------------|---------------------|---------------------------------|--------------|---------------------------------------|
| | <u>Reserve Account</u> | <u>Expenditures</u> | <u>Administrative Costbacks</u> | <u>Fees</u> | <u>Balance</u> <u>Reserve Account</u> |
| <u>Boards and Commissions</u> | | | | | |
| Contractors (335.10 cc 1801) | 5,021,659.67 | 1,496,621.85 | 1,070,839.42 | 2,316,533.00 | (250,928.27) 4,770,731.40 |
| Limited Licensed Electricians (335.10 cc 4001) | 1,557,078.07 | 77,102.02 | 61,349.02 | 8,182.00 | (130,269.04) 1,426,809.03 |
| <u>Other Board Programs</u> | | | | | |
| Home Improvement (335.10 cc 1701) | (638,196.21) | 71,366.60 | 75,427.52 | 184,247.25 | 37,453.13 (600,743.08) |
| Limited Licensed Plumbers (335.10 cc 2001) | 153,812.97 | 1,121.83 | 39,244.85 | 108,505.00 | 68,138.32 221,951.29 |

(Question 9 – Consumer Education Materials – Attachment D)

- BLC Brochure – Guide to Hiring a Contractor
- Poster – Hire a Licensed Contractor

Steps to Selecting a Contractor

- 1** Ask to see the contractor's license and write down the number. A pocket card is provided to all licensed contractors by the Board. • Contact the Board or check their website to verify their license and check for complaints from the "Problem Contractor List" on the website at: <http://www.tn.gov/commerce/boards/contractors/>.
- 2** Get recommendations from friends and neighbors. Use a local, well-established contractor. Ask the contractor to give you references. Then call the references, ask questions and look at the work.
- 3** Ask the contractor if the company is insured against claims covering worker's compensation, property damage, and general liability.
- 4** Get it in writing. Estimates should be very specific and include exactly what you're getting for the price. Make sure all bids are based on the same set of specifications and/or model home, and include a completion date.
- 5** Be sure to see the building permit before work starts, and make sure it's not in your name. Never obtain the building permit yourself for work being done by a contractor. By doing so, you assume all risks and it will be difficult to recoup money for inferior work.
- 6** Payment; do not pay cash. Never pay entire cost up front or make final payment until the job is complete. Keep a file and tally of all payments.

Buying a Home

Your home will be one of the most important investments that you will make in your life. Planning and taking preventative measures will help to ensure a pleasant experience. The license search website for contractors also provides license information for other regulated professions such as Real Estate Brokers, Home Inspectors and Real Estate Appraisers.

Homebuyer education may be obtained from the Tennessee Housing Development's website at: <http://www.tn.gov/hda/> or at (615) 741-2400.

When a disaster strikes, consumers may obtain valuable information from the Tennessee Emergency Management Agency website at: <http://www.tnema.org> or 1-800-621-3362.

STATE OF TENNESSEE

The Honorable Phil Bredesen, Governor

DEPARTMENT OF COMMERCE AND INSURANCE

Leslie A. Newman
Commissioner

Mary Moody
Deputy Commissioner Steve Malchitzak
Assistant Commissioner

BOARD FOR LICENSING CONTRACTORS

Carolyn Lazenby
Executive Director

1-800-544-7693

BOARD FOR LICENSING CONTRACTORS

Department of Commerce and Insurance
www.tn.gov/commerce/boards/contractors



The Tennessee Department of Commerce and Insurance.
Authorization No. 335234, 5,000 copies, July 2008. This document
was promulgated at a cost of \$.12 per copy.

The Tennessee Department of Commerce and Insurance is committed to principles of equal access, and affirmative action. Contact the EEO Coordinator or ADA Coordinator 615-741-2177 (TDD).

Sound Construction, Sound Quality

A Consumer's Guide to Selecting a Contractor

Tennessee Board for Licensing Contractors

Department of Commerce & Insurance
www.tn.gov/commerce/boards/contractors

Licensed Contractors Measure Up To Tennessee's Highest Standards

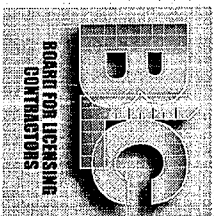
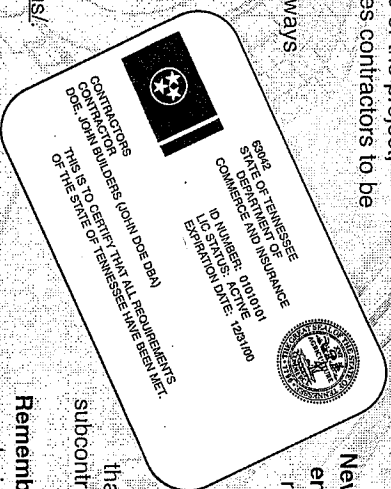
Buyer Beware

When selecting a contractor, it's important to use caution — whether you are considering hiring a contractor for home improvement, remodeling or new construction. If you make sure the contractor you hire is licensed, insured and reputable, you'll avoid a lot of problems.

The most frequent problems heard from consumers involve cost overruns, missed deadlines and poor workmanship. Other complaints involve unscrupulous contractors who take advance payments and then disappear before finishing or even starting work.

Depending on the size of the project, Tennessee law requires contractors to be licensed.

To protect yourself, always check to see if the contractor is licensed and in good standing. The Board for Licensing Contractors can be reached at 1-800-544-7693 or <http://licsrch.state.tn.us/>.



Ask to see a copy of the company's license or the pocket card issued to all licensed contractors by the Tennessee State Board for Licensing Contractors.

Get It in Writing

A written contract, spelling out all the details, should always be used, even on small projects. Avoid contractors who refuse to put it in writing. Keep in mind, any promises that the contractor makes will be difficult to enforce unless they are in writing.

The contract should contain the full name, street address and phone number of the contractor as well as the home owner. It should also have an agreed upon price, complete description of the work to be done, and materials (grades and type) to be used, the starting and completion dates, clean up after the work is finished and the payment schedule. Never sign a contract with blanks to be filled in later.

Never pay a remodeler or contractor the entire cost of the work up front. On remodeling projects, never pay more than one-third down.

Never release the final payment until the project is completed according to the contract. You should also have proof that all suppliers, employees and subcontractors have been paid by the contractor.

Remember that changes cost money, especially if you decide to make changes after the work begins. To avoid misunderstandings, make sure that your agreement with the contractor, concerning both the changes and costs, are put in writing and added to the original contract.

Even if you follow these guidelines, problems may arise. Take time to talk with your contractor about your project and try to work out any disagreements.

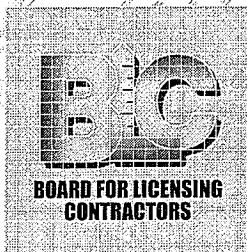
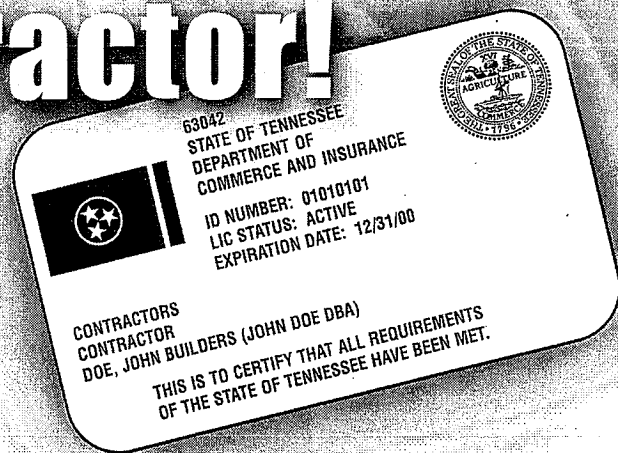
Frequently, effective communication will resolve most difficulties. If problems persist, it is a good idea to document your side of the dispute by putting in writing all issues that need to be resolved. Send a copy to the contractor and keep a copy for your file.

How to File a Complaint

If the work was not completed to the terms of the contract, you may pursue legal action or file a complaint with C.H.A.M.P. (Contractor/Homeowner Accountability and Mediation Program). This program is a partnership between the Board for Licensing Contractors and the Division of Consumer Affairs, both located within the Department of Commerce and Insurance. Depending on the nature of the complaint, mediation may be attempted or disciplinary action taken against a contractor's license for regulatory violations. It is important to note, C.H.A.M.P. cannot force a contractor to provide financial restitution and is not a substitute for private counsel. To file a complaint, you may request a complaint form at 1-800-544-7693 or file online at http://www.tn.gov/commerce/boards/contractors/OnlineComplaint_cont.html. Frequently, effective communication will resolve most difficulties. If problems persist, it is a good idea to document your side of the dispute by putting in writing all issues that need to be resolved. Send a copy to the contractor and keep a copy for your file.

Don't Get Hammered.

Hire a Licensed Contractor!

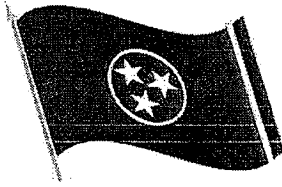


Check to see if your contractor is licensed
by contacting the Tennessee Board for
Licensing Contractors at 800-544-7693 or
on the web at: <http://licsrch.state.tn.us>



**DEPARTMENT OF COMMERCE AND INSURANCE
DIVISION OF REGULATORY BOARDS
MARCH 2009 MEETING SCHEDULE**

| BOARD | DATE | TIME | LOCATION | ACTIVITY |
|-------------------------------------|-------------------------|---------------|--|----------------|
| ACCOUNTANCY | | | | None Scheduled |
| ALARM SYSTEMS CONTRACTORS | March 11,12, 2009 | 9:00 A.M. | Andrew Johnson TW 2 nd Floor Conf Room Nashville, TN | Board Meeting |
| ARCHITECT/ENGINEERS | | | | None Scheduled |
| AUCTIONEERS | March 2, 2009 | 9:00 A.M. | Andrew Johnson TW 2 nd Floor Conf Room Nashville, TN | Board Meeting |
| BARBER | March 16, 2009 | 9:00 A.M. | Room 160 1 st Floor Davy Crockett Tower Nashville, TN | Board Meeting |
| BURIAL SERVICES | March 17, 2009 | 10:00 A.M. | Andrew Johnson TW 2 nd Floor Conf Room Nashville, TN | Board Meeting |
| CEMETERY | | | | None Scheduled |
| COLLECTIONS | March 3, 2009 | 9:00 A.M. | Andrew Johnson TW 2 nd Floor Conf Room Nashville, TN | Board Meeting |
| CONTRACTORS/ HOME IMPROVEMENT | March 24, 2009 | 8:30 A.M. | Andrew Johnson TW 3 rd Floor Conf Room Nashville, TN | Board Meeting |
| COSMETOLOGY | March 2, 2009 | 9:00 A.M. | Room 160 1 st Floor Davy Crockett Tower Nashville, TN | Board Meeting |
| EMPLOYEE LEASING | | | | None Scheduled |
| FUNERAL/EMBALMERS | March 10, 2009 | 10:00 A.M. | Room 160 1 st Floor Davy Crockett Tower Nashville, TN | Board Meeting |
| HOME INSPECTORS | | | | None Scheduled |
| LAND SURVEYORS | March 12- 13, 2009 | 9:00 A.M. | Andrew Johnson TW 3 rd Floor Conf Room Nashville, TN | Board Meeting |
| LOCKSMITH ADVISORY COUNCIL | | | | None Scheduled |
| MOTOR VEHICLE | | | | None Scheduled |
| PRIVATE INVESTIGATIONS POLYGRAPH | | | | None Scheduled |



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE

CONTACT: CHRISTOPHER GARRETT
615.741.6007 (office)

MARCH 2009 Disciplinary Action Report

EDITORS: Tennessee Code Annotated, Section 56-1-302(a)(9) requires the Department of Commerce and Insurance to issue a monthly press release containing a disciplinary report which shall list all disciplinary actions taken by each board during the prior month. Below is a list of actions taken during the month MARCH 2009.

Alarm Systems Contractors Board

Respondent: International Fire Protection, Nashville TN
Violation: Failure
Action: \$300 Civil Penalty

Respondent: Security Fire Protection, Memphis TN
Violation: Failure to Register Employees
Action: \$200 Civil Penalty

Burial Services

Respondent: Norris Memorial Gardens, Clinton, TN
Violation: Failure to maintain an active corporate status with the Secretary of State
Action: \$150 Civil Penalty and assessed hearing costs of \$200

Board of Funeral Directors and Embalmers

Respondent: Harp Funeral Home, Jellico, TN
Violation: Failure to retain cremation authorization forms
Action: \$250 Civil Penalty

Respondent: Family Mortuary, Inc., Chattanooga, TN
Violation: Immoral or unprofessional conduct, operating an establishment without a licensed funeral director in charge of the establishment, falsely represented that the establishment was managed by a funeral director knowing that was not the case, an unlicensed individual misrepresented himself to be a licensed funeral director on monthly establishment reports submitted to the state health department, failure to notify the Board of a change in the licensed funeral director in charge, willfully refused to allow representatives of the Board to conduct a routine inspection of the establishment, numerous FTC Rule violations, failure to maintain a copy of license and latest inspection report of

DAVY CROCKETT TOWER, 5TH FLOOR
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243
615.741.2241

the crematory that the funeral home uses and failure to pay reinspection fee to the Board
Action: Revocation of license

Board for Licensing Contractors

Respondent: Action Air Conditioning Service, Inc., Clarksville, TN
Violation: Unlicensed activity
Action: \$1,000 Civil Penalty

Respondent: Robert Becht, Hartsville, TN
Violation: Unlicensed activity
Action: \$1,000 Civil Penalty

Respondent: Bess Electrical Services, McMinnville, TN
Violation: Unlicensed activity
Action: \$2,000 Civil Penalty

Respondent: East Tennessee Sprinkler Company, Inc., Johnson City, TN
Violation: Misconduct
Action: \$2,500 Civil Penalty

Respondent: Rob Elkins, Brentwood, TN
Violation: Exceeding limit
Action: \$250 Civil Penalty

Respondent: Appleseed Enterprises DBA Frontier Basement, Clarksville, TN
Violation: Terms and conditions
Action: \$500 Civil Penalty

Respondent: G2 Engineering & Management, Inc., Oak Ridge, TN
Violation: Ineligible qualifying agent
Action: \$1,000 Civil Penalty

Respondent: JMS Plumbing, Spring Hill, TN
Violation: Unlicensed activity
Action: \$250 Civil Penalty

Respondent: Latco, Inc., Lincoln, AR
Violation: Hiring an unlicensed electrical sub
Action: \$500 Civil Penalty

Respondent: Luper Brothers, LLC, Mount Juliet, TN
Violation: Exceeding limit
Action: \$1,000 Civil Penalty

Respondent: Marable-Pirkle Services, LLC a/k/a MPS, LLC a/k/a Marable Pirkle Services, LC
Violation: Exceeding Limit
Action: \$1,000 Civil Penalty

Respondent: Tim Morgan, Crossville, TN
Violation: Unlicensed activity
Action: \$1,000 Civil Penalty

Respondent: Northcross Construction Company, Jackson, TN
Violation: Alteration of expiration date on license certificate
Action: \$1,000 Civil Penalty

Respondent: Bill Patton, Knoxville, TN
Violation: Unlicensed activity
Action: \$500 Civil Penalty

Respondent: John Sparks, Townsend, TN
Violation: Unlicensed activity
Action: \$1,000 Civil Penalty

Respondent: J.A. Street Construction Company, Inc., Blountville, TN
Violation: Misconduct
Action: \$5,000 Civil Penalty

Respondent: Vastland Construction LLC, Nashville, TN
Violation: Terms and conditions of qualifying agent
Action: \$1,000 Civil Penalty

Respondent: Stephen T. Warbritton, Darden, TN
Violation: Unlicensed activity
Action: \$1,000 Civil Penalty

Locksmith Licensing Program

Respondent: No Limit Locksmith, Antioch TN
Violation: Unlicensed Activity
Action: \$1000 Civil Penalty

Real Estate Appraiser Commission

Respondent: Bonnie K. Milliard, Soddy Daisy, TN
Violation: Committed several reporting errors in violation of USPAP by failing to include in the appraisal report a summary of her information analyzed and the reasoning that supports the analysis opinions and conclusions
Action: Required to complete 15 hour Residential Report Writing course

Respondent: Carol A. Smith, Munford, TN
Violation: Within two complaints (involving the same subject property), the Respondent failed to maintain sole control of her electronic signature and allowed someone in her office to communicate a misleading appraisal report. In the third complaint, Respondent incorrectly reported the actual ownership of the subject, she failed to analyze the sales contract, and her reconciliation of the cost and the sales comparison approaches was inadequate. Respondent committed many violations of USPAP and of Tennessee law as agreed to in this order.
Action: 60 day suspension (to run concurrently with an existing 6 month suspension which she is presently serving and which commenced in November, 2008).

TN.gov Newsroom[Home](#)**Insurance Division to Meet With Murfreesboro Storm Victims***Released on Mon, Apr 20, 2009 - 9:25 am under [Commerce and Insurance](#)*

NASHVILLE- The Insurance Division of the Department of Commerce and Insurance will be setting up a temporary Consumer Insurance Services center in Murfreesboro to help residents affected by recent storms there.

"It is crucial that storm victims with insurance concerns know that they have a resource," says Commerce and Insurance Commissioner Leslie A. Newman. "The Insurance Division will be on location to help make sure residents' storms-related insurance issues are being addressed."

Consumer Insurance Services will be on hand to:

- assist consumers with mediation issues,
- assist with reading and understanding insurance policy language and
- ensure that insurance companies are acting in accordance with Tennessee laws, rules and regulations.

From 2 p.m. to 7 p.m. on April 21, 23, 28 and 30, the Division will be at the Rutherford County Emergency Management Agency on 1221 West College St.

Vickie Trice, the Consumer Insurance Services director, encourages residents with insurance-related problems to contact her section at (615) 741-2218 or 1-800-342-4029 to set up an appointment. However, walk-ins will be welcome. Trice encourages residents to bring copies of their policies if they have them; however, her section will be able to secure policies from insurance companies, as well.

The Department of Commerce and Insurance works to protect consumers while ensuring fair competition for industries and professionals who do business in Tennessee. www.tn.gov/commerce/

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TN.gov Newsroom[Home](#)**State offers Tennesseans Storms-Related Tips***Released on Mon, Apr 13, 2009 - 11:40 am under Commerce and Insurance****Review policy, contact your insurer and check contractors before hiring***

Nashville – In the wake of the storm activity and tornadoes that devastated Middle Tennessee last Friday, the Department of Commerce and Insurance would like to offer consumers some tips for interacting with insurance companies and for selecting contractors:

As soon as possible after an event that affects your home, contact your insurance carrier or your agent. Locate a copy of your policy and read through it.

Make a thorough inventory of all of the items missing from or damaged in your home for your adjustor.

Take pictures, if possible, of all damage, inside and outside, from several angles to get full documentation before any repairs are made.

Secure and protect your property against further rain or other damage as much as possible without making permanent repairs, so that the adjustor can see and document the full extent of the damage,

Keep receipts for expenses of protecting your property from further damage.

Follow the claims-filing procedure set forth in your policy. If there is a dispute, follow the company's dispute process.

Many larger companies have quick-response teams that come into areas of heavy damage to process large numbers of claims as quickly as possible. Others will not send someone out unless you call them. Call your company to be sure.

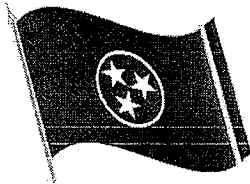
Call the Department of Commerce and Insurance with insurance issues at 800-342-4029 or the Consumer Affairs hotline for non-insurance issues at 800-342-8385.

Tennessee's Board for Licensing Contractors has found that unscrupulous, unlicensed contractors like to take advantage of homeowners anxious to rebuild after disasters. Be sure to hire only licensed contractors and check them out with the Board. Consumers may verify a license status by calling 800-544-7693, or may check on the website for various trades at <http://licsrch.state.tn.us/>.

The Department of Commerce and Insurance works to protect consumers while ensuring fair competition for industries and professionals who do business in Tennessee. www.tn.gov/commerce/

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MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE
JUNE 9, 2008

CONTACT: KELLY M. BROCKMAN
OR SHANNON ASHFORD
615.741.6007 (OFFICE)

Tennessee Division of Consumer Affairs Recognized at the NACAA Annual Meeting

Nashville, TN - The Tennessee Division of Consumer Affairs was presented an award for the Consumer/Homeowner Accountability and Mediation Program, also known as CHAMP, at the annual Achievement in Consumer Education (ACE) awards luncheon last week for its innovation and excellence assisting consumers through the program.

This luncheon was part of the National Association of Consumer Agency Administrators' 33rd Annual meeting in Dallas, TX.

Created in 2005, the Consumer/Homeowner Accountability and Mediation Program (CHAMP) works with the Board for Licensing Contractors and the Home Improvement Commission to investigate and mediate complaints received from both homeowners and contractors. In 2007, CHAMP received 391 complaints and helped consumers receive \$70,317.03 in repairs, refunds, and/or recovered merchandise.

"The CHAMP Program has been a success for consumers that need assistance with mediation when their complaint is not of a regulatory nature," said Mary Clement, Director for the State of Tennessee Division of Consumer Affairs. "We are honored to have received this prestigious award and are grateful for the recognition from the NACAA. The CHAMP staff deserves credit for their hard work on behalf of consumers of Tennessee."

"CHAMP had already proved to be a success with our Board and I'm so glad to see it being recognized," said Carolyn Lazenby, Executive Director for the Board of Licensing Contractors. "I hope this leads to other states adopting the mediation process to benefit consumers."

To file a complaint with the Contractor's Board, please call 1-800-544-7693 or visit <http://tennessee.gov/commerce/boards/contractors>.

For more information or to get the latest Problem Contractor's List, please contact the Tennessee Division of Consumer Affairs at 1-800-342-8385 or visit www.tennessee.gov/consumer.

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DAVY CROCKETT TOWER, 5TH FLOOR
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243
615.741.2241



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE
FEBRUARY 6, 2008

CONTACT: KELLY M. BROCKMAN
OR SHANNON ASHFORD
615.741.6007 (OFFICE)

TIPS FOR STORM VICTIMS DEALING WITH INSURANCE COMPANIES

Nashville, TN— The recent tornados have had a devastating impact on many Tennesseans. Rebuilding after a devastating storm can be a difficult and complex process. The Tennessee Department of Commerce and Insurance would like to offer consumers some suggestions that will make dealing with the insurance company a little easier.

Here is a list of tips that all consumers should know:

1. As soon as possible after the event, contact your insurance carrier or your agent. Locate a copy of your policy and read through it.
2. Make a thorough inventory of all the items missing or damaged from your home for your adjustor.
3. Take pictures, if possible, of all the damage, inside and out, from several angles to get a full documentation of the damage before any repairs are made.
4. Secure and protect your property against further rain or other damage as much as possible without making permanent repairs, so that the adjustor can see and document the full extent of the damage.
5. Keep receipts for expenses of protecting your property from further damage.
6. Follow the claims filing procedure set forth in your policy. If there is a dispute, follow the company's dispute process.
7. Many larger companies have quick-response teams that come into areas of heavy damage to process large numbers of claims as quickly as possible. Others will not send someone out unless you call them.

The Department of Commerce and Insurance is available to assist consumers as they look to rebuild after this week's storms. For any questions or for assistance with the claims process, please contact the Department's hotline at 615-741-2218 or toll-free in state 1-800-342-4029.

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DAVY CROCKETT TOWER, 5TH FLOOR
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Question 17 - Open Complaints Report - Attachment F

HOME IMPROVEMENT - CONTRACTORS - PLUMBERS - ELECTRICIANS

| PROFESSION | CONSUMER | FELLOW PRACTITIONER | CONCERNED CITIZEN | LEGAL | INVESTI- GATIONS | OUTSIDE AGENCY | STAFF | ANONY- MOUS | BOARD | TOTALS | Over 180 Days |
|----------------------------|----------|------------------------|----------------------|-------|---------------------|-------------------|-------|----------------|-------|----------|------------------|
| 1701 | 76 | 4 | | | | | 6 | | | 86 | 51 |
| 1801 | 403 | 14 | 7 | 1 | | 6 | 39 | 1 | | 471 | 293 |
| 1802 | 6 | | | | | | | | | 7 | 1 |
| 4001 | 16 | 1 | 2 | | | 2 | | | | 21 | 11 |
| TOTAL COMPLAINTS = | | | | | | | | | | 585 | 356 |
| PERCENTAGE OVER 180 DAYS = | | | | | | | | | | 0.608547 | |

ATTACHMENT G

| TITLE | COUNT | Gender | | Staff | | |
|------------------------|-------|--------|--------|-----------------|-------|-------|
| | | Male | Female | | Black | White |
| Employee | | | | | | |
| REG B EX DIR | 1 | 0 | 1 | CL | 0 | 1 |
| ADM MGR RB | 1 | 0 | 1 | TR | 0 | 1 |
| ADMIN A RB 1 | 3 | 0 | 3 | RC/KH/DL | 2 | 1 |
| ADMIN A RB 2 | 3 | 0 | 3 | LF/KB/AS | 1 | 2 |
| ADMIN A RB 3 | 1 | 1 | 0 | JH | 0 | 1 |
| AUDITOR 3 | 1 | 0 | 1 | RH | 0 | 1 |
| AUDITOR 2 | 1 | 1 | 0 | MV | 0 | 1 |
| LIC TECH | 5 | 0 | 5 | BE/RC/LL/JS/SR/ | 2 | 3 |
| TOTAL EMPLOYEES | 16 | 2 | 14 | | 5 | 11 |

Board Members

| | | | | | | |
|------------|---|---|---|----------------------------|---|---|
| BRD MBR | 9 | 8 | 1 | CD/CH/FN/MS/MB/RS/RT/KW/EO | 1 | 8 |
| HI ADV COM | 4 | 3 | 1 | JD/PW/PM/RB | 1 | 3 |